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July 24, 2008

VIA PERSONAL DELIVERY

Los Angeles County
Registrar-Recorder/County Clerk
12400 Imperial Highway
Norwalk, California 90650
Attn: Maria Alphonso

Re: **Manhattan Beach Unified School District – Order for Bond Election**

Dear Ms. Alphonso:

We are currently acting as Bond Counsel to the **Manhattan Beach Unified School District**. Enclosed please find an original signed copy of the Order for Bond Election and Tax Rate Statement being submitted on behalf of the District. The bond election is scheduled for November 4, 2008, to be consolidated with the Presidential election. Please note that the bond election is a Proposition 39 election, subject to passage with a vote of 55% or more of the electorate.

The Bond Measure which is to appear on the notice of election and upon the ballot on November 4, 2008 in accordance with the Order for Bond Election is as follows:

“To attract and retain quality teachers, improve instruction, and ensure college and career readiness for local students, shall Manhattan Beach Unified School District rehabilitate 58-year old Mira Costa High School including replacing deteriorated classrooms with new classrooms and science labs, upgrading technology, replacing deteriorated plumbing/restrooms, and improving safety/energy-efficiency, by issuing \$67,480,000 in bonds at legal rates, with independent oversight, mandatory audits, no money for administrator salaries, and all funds staying local to improve Manhattan Beach schools?”

Please note, pursuant to California Education Code Section 15122.5, the District does not expect to need state matching funds for its program.

Please print the District's Project List, appearing as Exhibit A to the Order for Bond Election, in the Ballot Pamphlet as well. A signed Tax Rate Statement is also included for your use in the Ballot Pamphlet.

In addition, the District has advised us that they would like to express their preference for the ballot proposition letter. The District would like **“Proposition A”** for their bond measure. If **“Proposition A”** is not available, then the District would like **“Proposition B,”** with the third choice being **“Proposition H.”**

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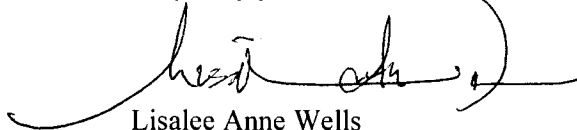
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Once the District's ballot measure has been assigned a proposition designation, please provide that designation to me so that the District may proceed with organizing for the election. I appreciate your assistance with this matter.

If you should have any questions, please feel free to call me at 213/892-9323.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Lisalee Anne Wells', with a long, sweeping horizontal line extending to the left.

Lisalee Anne Wells

cc: Steve Romines, Assistant Superintendent of Administrative Services,
Manhattan Beach Unified School District

Enclosures

**Manhattan Beach Unified School District
County of Los Angeles, State of California**

RESOLUTION NO. 2008-12

**RESOLUTION CALLING FOR AN ELECTION AUTHORIZING THE ISSUANCE OF
GENERAL OBLIGATION BONDS OF THE DISTRICT AT AN ELECTION TO BE
HELD NOVEMBER 4, 2008**

WHEREAS, the Board of Trustees (the "Board") of the Manhattan Beach Unified School District (the "District"), within the County of Los Angeles, California (the "County"), is authorized to order elections within the District for the purpose of considering, *inter alia*, bond measures to meet the ongoing capital improvement needs of the District, pursuant to the Constitution of the State of California (the "State") and the Education Code of the State (the "Education Code"); and

WHEREAS, Section 18 of Article XVI and Section 1 of Article XIII A of the Constitution of the State and Section 15264 *et seq.* of the Education Code (collectively, "Prop 39") provide for a methodology by which the District may call for an election and, upon approval by 55% or more of the qualified voters voting on the bond measure, issue its general obligation bonds and cause the County to levy an *ad valorem* property tax to pay debt service on said bonds; and

WHEREAS, this Board has determined it to be in the best interests of the District to call such an election under Prop 39, as further described herein; and

WHEREAS, this Board has determined that the election to be conducted on November 4, 2008 (the "Election Date") meets the consolidation requirements of the Education Code and any County or local measure or election may be consolidated with the Presidential election then pending; and

WHEREAS, the Board wishes to specify the manner in which the District shall call a bond election on the Election Date and to demonstrate compliance with related requirements of the Constitution, the Education Code and the Elections Code of the State;

NOW, THEREFORE, BE IT HEREBY RESOLVED, by the Board of Trustees of the Manhattan Beach Unified School District as follows:

Section 1. Recitals. All of the foregoing recitals are true.

Section 2. Determination to Proceed under Prop 39. The provisions of Prop 39 shall control the administration of the election to consider the bond proposition of the District (the "Bond Proposition"), such that a favorable vote of no less than 55% of the qualified voters voting at the election shall constitute approval thereof, and the Board hereby declares its intention to meet the pertinent requirements of Prop 39.

Section 3. Bond Proposition. This Board does hereby order and request that the Los Angeles County Registrar of Voters (herein called the "Registrar") call an election (in the performance of his duties and in the exercise of his power, alone, or with the assistance of the

Clerk of the County Board of Supervisors (the "County Clerk")) to consider the following proposition on November 4, 2008 (the "Bond Measure"), which constitutes the election order prescribed under California Education Code Section 15122 and Elections Code Section 13247:

"To attract and retain quality teachers, improve instruction, and ensure college and career readiness for local students, shall Manhattan Beach Unified School District rehabilitate 58-year old Mira Costa High School including replacing deteriorated classrooms with new classrooms and science labs, upgrading technology, replacing deteriorated plumbing/restrooms, and improving safety/energy-efficiency, by issuing \$67,480,000 in bonds at legal rates, with independent oversight, mandatory audits, no money for administrator salaries, and all funds staying local to improve Manhattan Beach schools?"

The Registrar is hereby requested to reprint the foregoing Bond Measure in its entirety in the voter information pamphlet to be distributed to voters pursuant to Section 13307 of the Elections Code. Pursuant to Section 18, Article XVI and Section 1, Article XIII A of the Constitution of the State, the foregoing Bond Measure shall become effective upon the favorable vote of no less than 55% of those qualified voters voting on the proposition.

Section 4. Consolidation of Bond Election; Services of County. Pursuant to Section 1258 of the Education Code, the Superintendent of the District is hereby authorized to contract with the Registrar, who is hereby requested and authorized to perform such duties as may be required by law, necessary or useful, or customary and appropriate in the conduct of said Bond Election, including the consolidation of the Bond Election with the general primary election within the territory of the District being conducted on the Election Date.

The precincts, polling places for said precincts in the County, and persons appointed and designated to serve as election officers for said Bond Election will be those determined, designated, and appointed pursuant to state law by the Registrar of Voters. The County is hereby requested to tally and canvass the returns of the election, in accordance with Section 10411 of the Elections Code. The District agrees to reimburse the County for all services related to the Bond Election, such services to include the publication of the Formal Notice and a Tax Rate Statement (described in Section 9401 of the Elections Code) pursuant to the terms of 5363 of the Education Code and Section 12112 of the Elections Code.

Section 5. Approval of Project List; Accountability Safeguards. The District has developed a list of certain capital projects which are a priority in order to meet the obligations of the District to provide education to its students, as more particularly identified on Exhibit A hereto, which is incorporated herein by this reference. Exhibit A is hereby certified by this Board as the Project List (the "Project List") for funding, either in whole or in part, with the proceeds of the Bonds. This certification of the Project List shall not be interpreted by and does not constitute an official approval of any listed project for the California Environmental Quality Act ("CEQA") or other purposes, but only as a statement of present intention of this Board. Furthermore, the listing of a capital improvement on the Project List does not imply any particular prioritization among such improvements, which remains the province of the Board by subsequent action. Notwithstanding the foregoing, only those acquisitions and other capital improvements included on the Project List may be funded, in whole or in part, with the proceeds of the Bonds. Additional moneys may be obtained for listed projects, in supplementation of the Bond proceeds, from any lawful source of moneys.

The Board hereby confirms that it has, in the development of the Project List appended hereto, evaluated and taken into consideration safety, class size reduction and information technology needs.

Pursuant to Section 15278 *et seq.* of the Education Code, within 60 days following the certification by this Board of the official results of the Bond Election by the County, this Board is required to appoint a Citizens Oversight Committee (the "Committee") to insure the District's compliance with the foregoing restrictions and to perform the duties established under the Education Code for such committees. If and when the official results of the Bond Election are certified by this Board, demonstrating that more than 55% of the qualified voters at the Bond Election voted to approve the Bond Measure, then this Board shall appoint the citizens oversight committee as required by Prop 39. To assist the Committee in its statutory obligations, the District shall cause to be conducted an annual independent performance audit and an annual independent financial audit on the expenditure of Bond proceeds; the audits shall be performed under contract with appropriate persons or firms as shall be subsequently brought for approval before this Board. The financial audit may be consolidated with the annual audit of the District's financial statement and may be performed by the same accounting firm, without further approval by this Board.

The results of the annual audits performed hereunder shall be reported to the Board and to the Committee at least annually, and more often, if the Board shall so direct.

Section 6. No Administrators' or Teachers' Salaries to Be Paid from Bond Proceeds. In accordance with Prop 39, the Board hereby confirms that no administrators' or teachers' salaries shall be paid or reimbursed, in whole or in part, from Bond proceeds, nor shall such proceeds be used to pay any other operating expenses of the District. Notwithstanding the foregoing, costs of administering the Bond Election and costs of issuance of the Bonds shall be lawful charges against Bond proceeds.

Section 7. Other Terms of the Bonds. Terms of each series of Bonds issued following the Bond Election shall be established at the time of sale thereof, based on then-prevailing market conditions. The Bonds shall bear or accrete interest at rates not to exceed the legal maximum, presently being 12% per annum, and shall mature and be paid at various dates no later than 40 years following their date of issuance. The Bonds may be sold at a premium or discount consistent with law and shall be sold pursuant to negotiated sale.

Section 8. Delivery of Order of Election. The Clerk of the Board is hereby directed to deliver, no later than August 8, 2008, which is a date no less than 88 days prior to the date of the Bond Election, one certified copy of this Resolution to the Registrar, together with the Tax Rate Statement to be prepared by the District's Underwriter (appointed below) and executed by the Superintendent of the District, and shall file a certified copy hereof with the Clerk of the Board of Supervisors of the County.

Section 9. Ballot Arguments. The members of the Board, or any one member or group thereof, are hereby authorized, but not directed, to file a formal Argument in Favor of the Bond Measure given above, with the Registrar within the time limits established for such arguments by the Registrar.

Section 10. Retention of Consultants. The District hereby confirms the hiring of consultants to provide for special services in connection with the proposed issue(s) of Bonds

which may be authorized at the Election, to wit, (i) the law firm of Fulbright & Jaworski L.L.P., as Bond Counsel to the District ("Bond Counsel"), (ii) Annette Yee and Company as Financial Advisor to the District ("Financial Advisor") and (iii) the underwriting firm of Citigroup Global Markets, Inc. (the "Underwriter"), upon conditions as may be set forth in the respective fee agreements heretofore negotiated and executed on behalf of the District by the Assistant Superintendent of Administrative Services of the District. Payments of the fees and expenses of Bond Counsel, the Financial Advisor and the Underwriter shall be paid from the proceeds of the Bonds of the District which may be authorized following a successful Bond Election, and not otherwise, unless this Board shall take further action.

Section 11. Reimbursement of Qualified Project Expenditures. The Board presently intends and reasonably expects to have tax-exempt obligations (the "Obligations") issued on its behalf within 18 months of the date of the expenditure of moneys on the Projects outlined in the foregoing Project List or the date upon which a Project is placed in service or abandoned, whichever is later (but in no event more than 3 years after the date the original expenditure of such moneys is paid), and to allocate an amount not to exceed 10% of the proceeds thereof to the reimbursable expenditures in connection with the Project, as may be qualified under the provisions of Section 1.150-2 of the Treasury Regulations of the Internal Revenue Service (the "Reimbursable Expenditures"). All of the Reimbursable Expenditures covered by this Resolution were paid not earlier than 60 days prior to the date of this Resolution. The Board intends to allocate within 30 days after the date of issue of the Obligations the proceeds therefrom to reimburse the District for the Reimbursable Expenditures. With respect to the proceeds of the Obligations allocated to reimburse the District for prior expenditures, the Board hereby covenants not to employ an abusive device under Treasury Regulation Section 1.148-10, including using within one year of the reimbursement allocation, the funds corresponding to the proceeds of the Obligations in a manner that results in the creation of replacement proceeds, as defined in Treasury Regulation Section 1.148-1, of the Obligations or another issuer of tax-exempt obligations.

The above provision is made solely for the purpose of establishing compliance with the requirements of said Section 1.150-2 of the Treasury Regulations. This provision does not bind the District or the Board to make any expenditure, incur any indebtedness, or proceed with the financing, acquisition or construction of the Project.

Section 12. Ratification. All actions heretofore taken by the officers, or their respective designees, employees and agents of the Board and the District in connection with the financing of the facilities on the Project List are hereby ratified and confirmed. The officers and their designees, the employees and agents of the Board and the District are hereby authorized to take any and all actions in connection with the financing of said facilities and as may be necessary and consistent with the purposes of this Resolution.

Section 13. Authorization of Further Acts. The members of this Board, the Superintendent, the Assistant Superintendent of Administrative Services, any assistant thereto, and all other staff or officers of the District are hereby authorized and directed, individually and collectively, to do any and all things necessary or advisable in order to effectuate the purposes of this Resolution.

Section 14. Effective Date. This Resolution shall take effect immediately upon its adoption by the Board.

PASSED AND ADOPTED this 23rd day of July, 2008, by the Board of Trustees of Manhattan Beach Unified School District, at a special meeting held at Manhattan Beach, California, by the following vote:

AYES: Members: Hersman, VanderPoorte, Fournell, Howorth

NOES: Members: Eisen

ABSENT: Members: _____

ABSTAIN: Members: _____

This is to certify that this is a true and correct copy of the resolution as adopted and approved at a regular meeting of the Board of Trustees of the Manhattan Beach Unified School District.

By: 

Clerk

EXHIBIT A

PROJECT LIST

The District intends to use the proceeds of the Bonds to finance or refinance some or all of the below-listed projects, upon voter approval, at tax rates not exceeding \$37.00 per \$100,000 of assessed value::

MIRA COSTA HIGH SCHOOL

NEW MATH/SCIENCE INSTRUCTIONAL BUILDING

- Replace deteriorated, outdated classrooms with new math/science classrooms
- Replace 58-year-old obsolete science labs with new science labs aligned to current science curriculum standards and graduation requirements
- Construct 3 science/math teacher preparation rooms
- Replace deteriorated restrooms, plumbing and water/sewer systems with new facilities
- Replace all deteriorated electrical, mechanical, heating, cooling, ventilation and utility systems and improve energy efficiency to meet new construction high efficiency standards

NEW ACADEMIC INSTRUCTIONAL BUILDING

- Replace aging classrooms with new academic classrooms
- Construct a multi-purpose lecture classroom for large group instruction/events
- Replace deteriorated restrooms, plumbing and water/sewer systems with new facilities
- Replace all deteriorated electrical, mechanical, heating, cooling, ventilation and utility systems and improve energy efficiency to meet new construction, high efficiency standards

TECHNOLOGY UPGRADES: Improve educational technology infrastructure throughout campus, including upgrading outdated cable, fiber-optics, hardware, technology and telecommunications infrastructure

CAREER/TECHNICAL SKILLS CENTER: Repair and renovate large multi-purpose classroom facilities for high-tech job training (Career Technical Education), including, but not limited to, auto diagnostics, computer aided design (CAD), sheet metal fabrication, etc.

ARTS INSTRUCTIONAL FACILITIES: Repair/renovate/reconfigure deteriorated 58-year old classrooms, studios, art labs, practice rooms, etc. in this building

SAFETY: Upgrade fire safety, emergency communications systems indoor/outdoor lighting, walkways, hardscape, fencing and security systems for improved safety/security

STUDENT SUPPORT: Relocate/reconstruct/reconfigure school spaces/facilities to improve one-stop access for student support services—e.g. counseling, administration, special education, speech therapy, occupational therapy, health services, Independent Study, food services, etc.

HIGH SCHOOL MAINTENANCE BUILDING: reconstruct facility to replace 58-year old deteriorated, inadequate maintenance/grounds building.

DISTRICT-WIDE

- Pay or prepay the District's remaining Certificates of Participation, Series A of 2001 and the District's Certificates of Participation (2002 Capital Improvement Project), in the total outstanding principal amount of \$12,195,000.

AT LOCATIONS WHERE RENOVATION, MAJOR REPAIRS AND/OR NEW CONSTRUCTION IS UNDERTAKEN

- Remove hazardous materials (asbestos, lead, mold, mildew, etc.) where necessary
- Address unforeseen conditions revealed by construction/modernization (e.g. plumbing, or gas line breaks, dry rot, seismic structural, etc.)
- Improve schools as required to comply with existing building codes, including the Field Act, and access requirements of the Americans with Disabilities Act
- Provide adequate furniture and equipment for all classrooms, and spaces to be newly constructed or reconstructed, including classroom technology, computer and science equipment, and book storage, and replacement of worn/broken/out-of-date furniture and equipment
- Demolition of existing buildings to be replaced
- Acquisition of any of the facilities on the Project List through temporary lease or lease-purchase arrangements, or execution of purchase options under a lease for any of these authorized facilities
- Necessary site preparation/restoration in connection with new construction, renovation or remodeling, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to property
- Replacement construction if Board of Trustees determines that replacement is more economical than rehabilitation/renovation of existing classrooms
- Provide temporary (interim) classrooms and other school facilities as needed to accommodate students and school functions displaced during construction

TAX RATE STATEMENT CONCERNING MEASURE __

**TAX RATE STATEMENT
REGARDING PROPOSED**

\$67,480,000

**MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
MEASURE __**

An election will be held in Manhattan Beach Unified School District (the "District") on November 4, 2008, for the purpose of submitting to the electors of the District the question of incurring a bonded indebtedness of the District in a principal amount of \$67,480,000. If such bonds are authorized and sold, the principal thereof and interest thereon will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information regarding tax rates is given to comply with Section 9401 of the California Elections Code. Such information is based upon the best estimates and projections presently available from official sources, upon experience within the District, and other demonstrable factors.

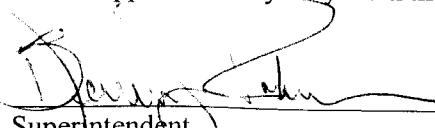
Based upon the foregoing and projections of the District's assessed valuation, and assuming the entire debt service will be paid through property taxation:

1. The best estimate of the tax which would be required to be levied to fund the bond issue during the first fiscal year after the sale of the first series of bonds based on estimated assessed valuations available at the time of filing of this statement is \$37.00 per \$100,000 of assessed valuation for the year 2009-10.

2. The best estimate from official sources of the tax rate which would be required to be levied to fund the bond issue during the first fiscal year after the last sale of the bonds and an estimate of the year in which that rate will apply based on estimated assessed valuations available at the time of filing of this statement, is \$37.00 per \$100,000 of assessed valuation for the year 2009-10.

3. The best estimate of the highest tax rate which would be required to be levied to fund the bond issue and an estimate of the year in which that rate will apply, based on estimated assessed valuation available at the time of filing of this statement is \$37.00 per \$100,000 of assessed valuation for the year 2027-28.

Attention to all voters is directed to the fact that the foregoing information is based upon projections and estimates only. The actual times of sales of said bonds and the amount sold at any given time will be governed by the needs of the District and other factors. The actual interest rates at which the bonds will be sold, which in any event will not exceed the maximum permitted by law, will depend upon the bond market at the time of sales. The actual assessed values in the future years will depend upon the value of property within the District as determined in the assessment and the equalization process. Hence, the actual tax rates and the years in which such rates are applicable may vary from those presently estimated as above stated.



Superintendent

Manhattan Beach Unified School District